<u>AMENDMENTS TO THE CLAIMS</u>

Please cancel claims 1-12, 22-37 and 45-49. All pending claims are reproduced below:

1. – 12.   (Cancelled).

13. (Original) A method for transrating a compressed bitstream into a plurality of output bitstreams having a bit rate, the method comprising:

     extracting a packet payload from the compressed bitstream;

     decoding the packet payload into at least one video frame;

     storing the at least one video frame in at least one frame buffer;

     providing data in the at least one frame buffer to a plurality of encoder outputs associated with the plurality of output bitstreams, each of the plurality of encoder outputs having a quantization scale factor; and

     adjusting the quantization scale factor for each of the plurality of encoder outputs to change the bit rate of the plurality of output bitstreams

14.   (Original) The method of claim 13 wherein the at least one video frame includes a DCT coefficient associated with a partial decode of the packet payload.

15.   (Original) The method of claim 13 wherein the compressed bitstream is segmented into video segment processing units.

16.   (Original) The method of claim 13 wherein at least one of the plurality of output bitstreams is segmented into video segment processing units.

17.   (Original) The method of claim 14 wherein the video segment includes one of a group of coded pictures, a coded frame, and a video slice.

18.   (Original) The method of claim 15 further comprising formatting the plurality of output bitstreams into a video block.

19.   (Original) The method of claim 18 wherein the video block comprises at least one video segment and a video block header.

20.   (Original) The method of claim 19 wherein the video block header comprises at least one of packet schedule information, compression statistics, and a video segment off-set.

21.   (Original) The method of claim 13 wherein the quantization scale factor is adjusted to reduce the bit rate by at least one of a fixed percentage and a fixed amount.

22. - 37.   (Cancelled).

38.   (Original) A system for transrating a compressed bitstream into a plurality of output bitstreams having a bit rate, the system comprising:

> an extractor module for extracting a packet payload from the compressed bitstream;
>
> a decoder module for decoding the packet payload;
>
> a plurality encoder outputs associated with the plurality of output bitstreams, each of the plurality of encoder outputs having a quantization scale factor; and
>
> a quantization module for adjusting the quantization scale factor for each of the plurality of encoder outputs to change the bit rate of the plurality of output bitstreams.

39.   (Original) The system of claim 38 wherein the compressed bitstream is segmented into video segment processing units.

40.   (Original) The system of claim 39 wherein the video segment includes one of a group of coded pictures, a coded frame, and a video slice.

41.   (Original) The system of claim 39 further comprising formatting the plurality of output bitstreams into a video block.

42.   (Original) The system of claim 41 wherein the video block comprises at least one video segment and a video block header.

43.   (Original) The system of claim 42 wherein the video block header comprises at least one of packet schedule information, compression statistics, and a video segment offset.

44.   (Original) The system of claim 38 wherein the quantization scale factor is adjusted to reduce bit rate by at least one of a fixed percentage and a fixed amount.

45. - 49.   (Cancelled).